

# **EXHIBIT 7**

1 demonstration, and comprehensive.

2 THE COURT: Right, but he's not going through those.  
3 He's going through what preceded those, as I understand it.

4 MR. SCHULTZ: That's exactly correct, Your Honor.

5 THE COURT: Objection is overruled.

6

7 (End of sidebar discussion.)

8

9 THE COURT: All right. Go ahead.

10 Q Mr. Gounaris, you were talking about a demonstration  
11 system. What was the demonstration system that you saw?

12 A It was a type of mockup --

13 MR. ROBERTSON: Can we have a time frame, Your Honor?

14 THE COURT: Summer 1993; right?

15 THE WITNESS: Yes. It was a mockup. It was the way  
16 to be able to show the business executives what this might look  
17 like as it was being developed. It was just to take something  
18 that conceptual and give it a physical look and feel.

19 THE COURT: What is a mockup?

20 THE WITNESS: Mockup is kind of a -- it was some  
21 samples of different screens and how they would interact with  
22 one another so you get a sense of how a user might sit down in  
23 front of the electronic catalog and use it, but it wasn't a  
24 fully developed system. It was just very limited function.

25 THE COURT: Mr. Schultz, remember what you are

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1 talking about. You ask him whether he saw the TV/2 operate.  
2 He said, yeah. When? Summer of '93. What was it? This demo,  
3 and he just said in response to that what? It wasn't fully  
4 developed. So he didn't see the TV/2 operate. So now I  
5 want -- you know, that's why I ask you all to be careful about  
6 what you are doing. Okay.

7 Q When you say it wasn't fully developed, were you talking  
8 about the TV/2 plus RIMS system?

9 MR. ROBERTSON: Objection, leading.

10 A No, I was --

11 THE COURT: What were you talking about, is the  
12 proper question, that wasn't fully developed.

13 A I was talking about the entire system wasn't fully  
14 developed. It was just a small subset of the electronic  
15 catalog system just to give it a mockup.

16 Q I want you to focus just on TV/2. Was the TV/2 system in  
17 operation when you saw the demonstration in the summer of 1993?

18 MR. ROBERTSON: Let me object as vague and ambiguous  
19 as the TV/2 system. This is part of a project here, and went  
20 through several --

21 THE COURT: I'm going to sustain it. You need more  
22 specificity of his testimony. Otherwise, I wouldn't do that.  
23 We've got something that we don't know what it is, and we need  
24 to get it defined properly. So either do it or move on.

25 Q Mr. Gounaris, if we could bring up Exhibit 230 again,

1 please, and go to page 12 of that document.

2 A Page 12 of this same document?

3 THE COURT: Why don't we try it this way: I can  
4 strike it if I need to and tell him to disregard it.

5 What did you see in operation? He's described a  
6 mockup and a mockup with some screens. That's what he said so  
7 far. What did you see in the summer of '92 that was this  
8 demonstration other than those two screens? Anything else?

9 THE WITNESS: We demonstrated for Frank and for a few  
10 executives from Fisher what the system would look like, so  
11 there were pictures, there were simulations of what was in the  
12 catalogs, so it gave you the look and feel of the catalog.

13 THE COURT: So you saw simulations of something that  
14 was in a catalog, saw pictures, and you saw mockups on the  
15 screen.

16 THE WITNESS: Text, pictures. It looked similar to  
17 what the physical catalog looked like only on an electronic  
18 form, so you would get a sense of what an electronic version of  
19 a paper catalog would look like and how somebody might go  
20 through an order process. It was very simple and limited in  
21 terms of its capability but gave them a feel for here's what  
22 this system would be like.

23 THE COURT: Now, Mr. Schultz, that doesn't sound to  
24 me like what he saw was the TV/2 in operation. What he saw was  
25 a mockup of the TV/2 in operation using some fairly basic

1 tools. Isn't that where we are, and if that's right, then Mr.  
2 Robertson's objection I should have sustained.

3 MR. SCHULTZ: Mr. Gounaris --

4 THE COURT: That's where we are.

5 MR. ROBERTSON: I would move to strike the question  
6 and answer, Your Honor.

7 THE COURT: I think that's right. We've tried and  
8 tried and tried, and it isn't there, so I sustain his  
9 objection. Just disregard the testimony about this preliminary  
10 demonstration, ladies and gentlemen. It's not pertinent to the  
11 case.

12 Q Mr. Gounaris, if you'd take a look at Exhibit 230. I'd  
13 like you to refer to the Bates number at the bottom, G0000023.

14 A Okay.

15 Q Did the TV/2 system, as of 1993, have the functionality  
16 described on this page?

17 MR. ROBERTSON: I object, Your Honor. Ms. Eng  
18 testified at length about this page, so this is cumulative.

19 MR. McDONALD: I'm talking about 1993, and Mr.  
20 Gounaris is in a specific role with respect to --

21 THE COURT: What difference does that make if Ms.  
22 Eng's testified to it?

23 MR. SCHULTZ: Because Mr. Gounaris is the person  
24 actually providing the information --

25 THE COURT: The better answer is, Ms. Eng wasn't